

April 1, 2016

VIA ELECTRONIC FILING

Mrs. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket No. E-100, Sub 140
Annualized Avoided Cost Rates**

Dear Mrs. Mount:

On behalf of Virginia Electric and Power Company, d/b/a Dominion North Carolina Power (“DNCP”), enclosed for filing in the above-referenced docket are DNCP’s Annualized Avoided Cost Rates. In its *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities*, issued in Docket No. E-100, Sub 136 on February 21, 2014 (“2012 Biennial Order”), the Commission directed that “DEC, DEP, and DNCP shall each include with the new versions of their rates schedules filed in compliance with this Order, a public report showing their annualized avoided cost rates calculated in the manner presented in DEC’s Exhibit 3 to its filing on November 1, 2012 in this docket; in future avoided cost initial filings and future filings related to approved avoided cost rates, DEC, DEP, and DNCP shall each include a public report showing their proposed annualized avoided cost rates calculated in the same manner.” 2012 Biennial Order at Ordering P 24.

DNCP filed new versions of its avoided cost rate schedules in this docket on February 2, 2016, updated on February 26, 2016, to reflect a March 1, 2016 effective date, in compliance with the Commission’s *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* issued on December 17, 2015, in the above-captioned proceeding. Therefore, with this filing, DNCP is submitting its public reports showing its annualized avoided cost rates, consistent with the above requirement.

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Thank you for your assistance with this matter. Please do not hesitate to contact me if you have any questions.

Very truly yours,

/s/Andrea R. Kells

ARK:kjg

Enclosures

DOMINION NORTH CAROLINA POWER
SCHEDULE FP
Year 2015 Proposed Rates (Annualized)
Cents per kWh
Compliance Rates filed Feb 2, 2016

Exhibit DNCP-6
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Performance Adjustment Factor: 1.20

OPTION A

<u>Line No.</u>	<u>Description</u>		Variable	Fixed Long-Term Rates		
			<u>Rate</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
1	Energy Credit	On-Peak	3.826	4.367	4.743	5.037
2	Energy Credit	Off-Peak	3.096	3.612	3.963	4.188
3	Capacity Credit	Summer Month		2.611	2.709	2.799
4	Capacity Credit	Non-Summer Month		1.740	1.806	1.866
5	Annualized Energy		3.356	3.881	4.241	4.490
6	Annualized Capacity			0.775	0.804	0.831
7	Annualized Total			4.656	5.045	5.321

OPTION B

<u>Line No.</u>	<u>Description</u>		Variable	Fixed Long-Term Rates		
			<u>Rate</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
8	Energy Credit	On-Peak	3.826	4.412	4.802	5.124
9	Energy Credit	Off-Peak	3.226	3.734	4.085	4.314
10	Capacity Credit	Summer Month		5.989	6.215	6.421
11	Capacity Credit	Non-Summer Month		2.309	2.396	2.475
12	Annualized Energy		3.353	3.878	4.237	4.486
13	Annualized Capacity			0.775	0.804	0.831
14	Annualized Total			4.653	5.041	5.316

NOTE: Calculation of Annualized Numbers

Option A

Annualized Energy (on-peak rate*3120+off-peak rate*5640)/8760
Annualized Capacity (on-peak summer month*1560+on-peak non-summer month*1560)/8760
Annualized Total Annualized Energy + Annualized Capacity

Option B

Annualized Energy (on-peak rate*1856+off-peak rate*6904)/8760
Annualized Capacity (on-peak summer month*680+on-peak non-summer month*1176)/8760
Annualized Total Annualized Energy + Annualized Capacity

DOMINION NORTH CAROLINA POWER
SCHEDULE FP
Year 2015 Proposed Rates (Annualized)
Cents per kWh
Compliance Rates filed Feb 2, 2016

Exhibit DNCP-6
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Apr 01 2016

Performance Adjustment Factor: 2.00

OPTION A

Line No.	Description		Variable	Fixed Long-Term Rates		
			Rate	5-Year	10-Year	15-Year
1	Energy Credit	On-Peak	3.826	4.367	4.743	5.037
2	Energy Credit	Off-Peak	3.096	3.612	3.963	4.188
3	Capacity Credit	Summer Month		4.351	4.515	4.665
4	Capacity Credit	Non-Summer Month		2.900	3.010	3.110
5	Annualized Energy		3.356	3.881	4.241	4.490
6	Annualized Capacity			1.291	1.340	1.385
7	Annualized Total			5.172	5.581	5.875

OPTION B

Line No.	Description		Variable	Fixed Long-Term Rates		
			Rate	5-Year	10-Year	15-Year
8	Energy Credit	On-Peak	3.826	4.412	4.802	5.124
9	Energy Credit	Off-Peak	3.226	3.734	4.085	4.314
10	Capacity Credit	Summer Month		9.981	10.358	10.701
11	Capacity Credit	Non-Summer Month		3.848	3.993	4.125
12	Annualized Energy		3.353	3.878	4.237	4.486
13	Annualized Capacity			1.291	1.340	1.384
14	Annualized Total			5.169	5.577	5.870

NOTE: Calculation of Annualized Numbers

Option A

Annualized Energy (on-peak rate*3120+off-peak rate*5640)/8760
Annualized Capacity (on-peak summer month*1560+on-peak non-summer month*1560)/8760
Annualized Total Annualized Energy + Annualized Capacity

Option B

Annualized Energy (on-peak rate*1856+off-peak rate*6904)/8760
Annualized Capacity (on-peak summer month*680+on-peak non-summer month*1176)/8760
Annualized Total Annualized Energy + Annualized Capacity

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Annualized Avoided Cost Rates, as filed in Docket No. E-100, Sub 140, was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 1st day of April, 2016.

/s/ Andrea R. Kells

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